

Introduced by Senator Price

February 17, 2011

An act to amend Section 25503.24 of the Business and Professions Code, relating to alcoholic beverages.

LEGISLATIVE COUNSEL'S DIGEST

SB 566, as introduced, Price. Alcoholic beverages: tied-house restrictions.

Existing law prohibits specified holders of alcoholic beverage licenses from having specified relationships with an on-sale alcoholic beverage licensee, with limited exceptions. Existing law permits a manufacturer, winegrower, rectifier, distiller, distilled spirits wholesaler, or any agent of those licenses, to conduct market research and, in connection with that research, to purchase from licensed off-sale retailers data, regarding purchases and sales of alcoholic beverage products, at the customary rates that those retailers sell similar data for nonalcoholic beverage products, provided that no licensed retailer shall be obligated to purchase or sell the alcoholic beverages of the manufacturer, winegrower, rectifier, or distiller. The Alcoholic Beverage Control Act provides that a violation of its provisions is a misdemeanor, unless otherwise specified.

This bill would additionally include a distilled spirits wholesaler in the provision prohibiting a licensed retailer from being obligated to purchase or sell the alcoholic beverages of the licensee conducting the market research.

Because the violation of a specified provision of this provision is punishable as a misdemeanor, the bill both creates a new crime and expands the definition of an existing crime, thereby creating a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 25503.24 of the Business and Professions
2 Code is amended to read:

3 25503.24. (a) Notwithstanding any other provision of this
4 chapter, any manufacturer, winegrower, rectifier, distiller, distilled
5 spirits wholesaler, or any officer, director, agent, or representative
6 of any of those entities, may conduct market research and, in
7 connection with that research, the entity conducting the market
8 research may purchase from licensed off-sale retailers data
9 regarding purchases and sales of alcoholic beverage products at
10 the customary rates that those retailers sell similar data for
11 nonalcoholic beverage products subject to the following limitations:

12 (1) No licensed retailer shall be obligated to purchase or sell
13 the alcoholic beverage products of that manufacturer, winegrower,
14 rectifier, ~~or~~ distiller, *or distilled spirits wholesaler*.

15 (2) No retail premises shall participate in more than one research
16 project conducted by any single manufacturer, winegrower,
17 rectifier, distiller, or distilled spirits wholesaler during a calendar
18 year. A research project may involve multiple onsite surveys.

19 (3) Nothing in this section shall allow a licensed retailer to
20 require a manufacturer, winegrower, rectifier, distiller, or distilled
21 spirits wholesaler to conduct any market research as a condition
22 for selling alcoholic beverage products to that licensed retailer.

23 (b) Any holder of a beer manufacturer's license or winegrower's
24 license who, through coercion or other illegal means, induces,
25 directly or indirectly, a holder of a beer or wine wholesaler's
26 license to fulfill obligations entered into pursuant to subdivision

27 (a) shall be guilty of a misdemeanor and shall be punished by
28 imprisonment in the county jail not exceeding six months, or by
29 a fine in an amount equal to the entire value of the market research
30 or time involved in the project, whichever is greater, plus ten

1 thousand dollars (\$10,000), or by both imprisonment and fine. The
2 person shall also be subject to license revocation pursuant to
3 Section 24200.

4 (c) Any retail licensee who, directly or indirectly, solicits or
5 coerces a holder of a beer or wine wholesaler's license to solicit
6 a beer manufacturer, or holder of a winegrower's license to fulfill
7 obligations entered into pursuant to subdivision (a) shall be guilty
8 of a misdemeanor and shall be punished by imprisonment in the
9 county jail not exceeding six months, or by a fine in an amount
10 equal to the entire value of the market research or time involved
11 in the project, whichever is greater, plus ten thousand dollars
12 (\$10,000), or by both imprisonment and fine. The person shall also
13 be subject to license revocation pursuant to Section 24200.

14 (d) For the purposes of this section, "beer manufacturer"
15 includes any holder of a beer manufacturer's license, any holder
16 of an out-of-state beer manufacturer's certificate, or any holder of
17 a beer and wine importer's general license.

18 SEC. 2. No reimbursement is required by this act pursuant to
19 Section 6 of Article XIII B of the California Constitution because
20 the only costs that may be incurred by a local agency or school
21 district will be incurred because this act creates a new crime or
22 infraction, eliminates a crime or infraction, or changes the penalty
23 for a crime or infraction, within the meaning of Section 17556 of
24 the Government Code, or changes the definition of a crime within
25 the meaning of Section 6 of Article XIII B of the California
26 Constitution.